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SAN JOSE

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

IN RE:	)	CASE NO. CR 15-90921 MISC PSG
	)	
DISCLOSURE OF TAXPAYER RETURNS	)	UNSEALED REDACTED VERSION OF EX
AND RETURN INFORMATION	)	PARTE APPLICATION AND DECLARATION
	)	FOR DISCLOSURE OF TAX RETURN AND
	)	RETURN INFORMATION AND COURT'S
	)	ORDERING GRANTING APPLICATION
	)	
	)	
	)	

The United States of America hereby files an unsealed, redacted version of its earlier-filed ex parte application and declaration for disclosure of tax return and return information and the Court's order granting the application, both of which are attached hereto.

DATED: January 28, 2016

Respectfully submitted,  
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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
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IN RE:

CR 15 90921 MISC

PSG

DISCLOSURE OF TAXPAYER RETURNS  
AND RETURN INFORMATION

EX PARTE APPLICATION AND DECLARATION  
FOR DISCLOSURE OF TAX RETURN AND  
RETURN INFORMATION AND MOTION TO  
SEAL

(UNDER SEAL)

The United States of America, by and through its attorneys, Brian J. Stretch, Acting United States Attorney for the Northern District of California, and Amber Rosen, Assistant United States Attorney, hereby moves the Court, pursuant to 26 U.S.C. §§ 6103(i)(1)(A)(ii) and (iii); and 4(A)(i), for an ex parte order authorizing the disclosure of the 2009-2015 returns, return information, and other information concerning:

1. LAURENCE MILES
2. THE MILES TRUST or LAURENCE MILES TRUST
3. ROBERT STEPHENS

1 4. MUNSIF SHIRAZI (a.k.a. MIKE SHIRAZI)

2 [REDACTED]

3 5. RAYAN LAKSHMANAN

4 6. SHIRLEY MOLINA (a.k.a. SHIRLEY JACKSON, a.k.a. SHIRLEY

5 KERKORIAN, a.k.a. SHIRLEY GREGORIAN, a.k.a. SHIRLEY

6 JOCOBO)

7 [REDACTED]

8 A. STATUTORY AUTHORITY

9 1. Generally, income tax returns cannot be disclosed by the Internal Revenue Service. 26

10 U.S.C. § 6103(a). An exception to this general rule, however, is provided by 26 U.S.C. § 6103(i), which

11 authorizes a court to order disclosure in connection with the administration of federal laws not relating

12 to tax administration.

13 2. Section 6103(i)(1) provides:

14 (1) Disclosure of returns and return information for use in criminal

15 investigations. --

16 (A) In general. -- Except as provided in paragraph (6),

17 [Paragraph 6 provides an exception to disclosure if the Secretary of the

18 Treasury determines "that such disclosure would identify a confidential

19 informant or seriously impair a civil or criminal tax investigation."] any

20 return or return information with respect to any specified taxable period or

21 periods shall, pursuant to and upon the grant of an ex parte order by a

22 Federal district court judge or magistrate under subparagraph (B), be open

23 (but only to the extent necessary as provided in such order) to inspection

24 by, or disclosure to, officers and employees of any Federal agency who are

25 personally and directly engaged in --

26 (i) preparation for any judicial or administrative proceeding

27 pertaining to the enforcement of a specifically designated criminal statute

28 (not involving tax administration) to which the United States or such

agency is or may be a party,

(ii) any investigation which may result in such a proceeding, or

(iii) any Federal grand jury proceeding pertaining to the

enforcement of such a criminal statute to which the United States or such

agency is or may be a party,

solely for the use of such officers and employees in such preparation,

investigation, or grand jury proceeding.

(B) Application for order. -- The Attorney General . . . [or] any

United States Attorney . . . may authorize an application to a Federal

district court judge or magistrate for the order referred to in subparagraph

(A). Upon such application, such judge or magistrate may grant such



1 order if he determines on the basis of facts submitted by the applicant that

2 --

3 (i) there is reasonable cause to believe, based  
4 upon such information believed to be reliable, that a  
5 specific criminal act has been committed,

6 (ii) there is reasonable cause to believe that the return  
7 or return information is or may be relevant to a matter relating to  
8 the commission of such act, and

9 (iii) the return or return information is sought  
10 exclusively for use in a Federal criminal investigation or  
11 proceeding concerning such act, and the information sought to be  
12 disclosed cannot reasonably be obtained, under the circumstances,  
13 from another source.

14 3. Section 6103(i) also provides for the disclosure and use of returns and return  
15 information in administrative and judicial forfeiture proceedings related to criminal and forfeiture  
16 statutes:

17 (4)(A) Returns and taxpayer return information.-- Except as provided in subparagraph  
18 (C), any return or taxpayer return information obtained under paragraph (1) may be disclosed in  
19 any judicial or administrative proceeding pertaining to enforcement of a specifically designated  
20 Federal criminal statute or related civil forfeiture (not involving tax administration) to which the  
21 United States or a Federal agency is a party

22 (i) if the court finds that such return or taxpayer return information is probative of  
23 a matter in issue relevant in establishing the commission of a crime or the guilt or liability  
24 of a party, or

25 (ii) to the extent required by order of the court pursuant to section 3500 of Title  
26 18, United States Code, or Rule 16 of the Federal Rules of Criminal Procedure.

27 4. The statute defines returns and return information to include, among other things, any tax  
28 or information returns, including supporting schedules and attachments; a taxpayer's identity; the nature,  
source, or amount of the taxpayer's income, payments, and adjustments; whether the taxpayer's return  
was, is being, or will be examined or subject to other investigation; any other data in the possession of  
the Secretary of the Treasury relating to a return or to the determination of the existence, or possible  
existence, of liability of any person for any tax, penalty, or interest; any part of any written  
determination or any background file document relating to such written determination that is not open to  
public inspection. See 26 U.S.C. § 6103(b).

#### 29 B. BASIS FOR REQUEST

30 As demonstrated by the facts set forth more fully in the declaration of Federal Bureau of

1 Investigation (FBI) Special Agent Matthew Accardo, which is attached to and is part of this application:

2 1. The FBI is currently engaged in the continuing investigation of LAURENCE MILES,  
3 MUNSIF SHIRAZI (a.k.a. MIKE SHIRAZI), ROBERT STEPHENS, RAYAN LAKSHMANAN, and  
4 SHIRLEY MOLINA (the "SUBJECTS").

5 2. Based upon information believed to be reliable, there is reasonable cause to believe that  
6 the SUBJECTS have committed criminal acts, in particular, wire fraud, in violation of Title 18, United  
7 States Code, Section 1343.

8 3. The returns, return information, and other information sought by this application are or  
9 may be relevant to the commission of the specified criminal acts because we believe, based on the  
10 review of other documents, witness interviews, and other information obtained through the  
11 investigation, that the tax records sought are relevant to determine the source of any income and to  
12 identify assets and bank accounts belonging to the SUBJECTS.

13 4. The government is seeking these returns, return information, and other information  
14 exclusively for use in this federal criminal prosecution and continuing investigation and grand jury  
15 proceeding. These documents cannot reasonably be obtained, under the circumstances, from another  
16 source. Any disclosed returns, return information, and other information will be disclosed only to the  
17 United States Attorney, Assistant United States Attorney Amber S. Rosen, and any other persons only in  
18 accordance with the provisions of 26 U.S.C. § 6103 and 26 C.F.R. § 301.6103(i)-1.

19 5. As required by statute, the United States Attorney has authorized this application.

20 THEREFORE, the government respectfully requests this Court issue an order:

21 (1) Authorizing the disclosure of the returns and return information as those terms are  
22 defined in 26 U.S.C. § 6103(b), and other information, to the United States Attorney, Assistant United  
23 States Attorney Amber S. Rosen, and any other persons only in accordance with the provisions of 26  
24 U.S.C. § 6103 and 26 C.F.R. § 301.6103(i)-1, including, but not limited to, any tax or information  
25 returns including supporting schedules, attachments, or lists; any documents identifying the nature,  
26 source, or amount of the taxpayer's income, receipts, assets, and liabilities, including CMIRs and Forms  
27 8300; documents related to any examination, investigation or processing of the taxpayer's return; any  
28 documents reflecting a determination of liability of any person or any background file documents

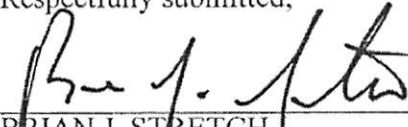
relating to such written determination; any documents collected or voluntarily provided to the IRS from sources other than the taxpayer; and certificates of non-filing if returns or return information have not been filed, for the years 2009-2015 for:

1. LAURENCE MILES  
[REDACTED]
2. THE MILES TRUST or LAURENCE MILES TRUST
3. ROBERT STEPHENS  
[REDACTED]
4. MUNSIF SHIRAZI (a.k.a. MIKE SHIRAZI)  
[REDACTED]
5. RAYAN LAKSHMANAN  
[REDACTED]
6. SHIRLEY MOLINA (a.k.a. SHIRLEY JACKSON, a.k.a. SHIRLEY KORKORIAN, a.k.a. SHIRLEY GREGORIAN, a.k.a. SHIRLEY JOCOBO); [REDACTED]

2) Directing that this Application, including the Declaration, and the Order issued pursuant hereto be placed under seal by the Clerk of Court until further order of this Court, except that copies of the Order issued pursuant to this Application may be provided to the authorized representatives of the United States Attorney's Office and served upon the Internal Revenue Service. The basis for sealing the Application, Declaration, and Order are that the SUBJECTS have not been arrested or indicted and are under continuing investigation. While the targets are aware that the FBI is looking into the scheme, should they become aware of the scope of the investigation, including which witnesses have provided what information, it could result in the intimidation of witnesses, the destruction of evidence, or the flight of the SUBJECTS, particularly the flight of MILES, as he is a citizen of the United Kingdom.

DATED: October 19, 2015

Respectfully submitted,

  
BRIAN J. STRETCH  
Acting United States Attorney  
Northern District of California

## 1 DECLARATION IN SUPPORT OF APPLICATION FOR TAX RETURN INFORMATION

2  
3 I, Matthew Accardo, hereby declare under penalty of perjury as follows:

4 1. I am a special agent of the Federal Bureau of Investigation (FBI), and have been since  
5 July 2013. As such, pursuant to the authority granted to the Attorney General by Public Law 99-570,  
6 Section 1869, and delegated by Title 28, Code of Federal Regulations, Subpart R, Section 0.100 et. seq.,  
7 I am authorized to exercise the powers of law enforcement personnel set forth in Title 21, United States  
8 Code, Section 878. Those powers are to: 1) carry firearms; 2) execute and serve search warrants, arrest  
9 warrants, administrative inspection warrants, subpoenas, and summonses issued under the authority of  
10 the United States; 3) make arrests without a warrant (A) for any offense against the United States  
11 committed in my presence, or (B) for any felony, cognizable under the laws of the United States, if I  
12 have probable cause to believe that the person to be arrested has committed or is committing a felony; 4)  
13 make seizures of property pursuant to the provisions of 21 U.S.C. §§ 801-904; and 5) perform such  
14 other law enforcement duties as the Attorney General may designate.

15 2. I am currently assisting other special agents from the FBI and the Internal Revenue  
16 Service, Criminal Investigation (IRS-CI) in the investigation of LAURENCE MILES, MUNSIF  
17 SHIRAZI (a.k.a. MIKE SHIRAZI), ROBERT STEPHENS, RAYAN LAKSHMANAN, and SHIRLEY  
18 MOLINA (hereinafter "the SUBJECTS") for wire fraud, in violation of 18 U.S.C. § 1343.

19 3. I make this affidavit based upon my personal knowledge, experience, and investigation in  
20 this matter, written and oral information I have received from my colleagues, my review and  
21 examination of evidence obtained from witnesses, and discussions with other investigating law  
22 enforcement officers. I have not attempted to include in this affidavit all the evidence collected during  
23 this investigation.

24 4. It is believed that the tax information of the SUBJECTS for the years 2009 through 2015  
25 may be relevant to the SUBJECTS' misappropriation of funds. What the SUBJECTS report on their  
26 individual tax returns may reveal whether they had any legitimate income during these years that could  
27 be an alternative source for the funds they appear to have solicited. Tax returns or other tax information  
28



1 could also reveal additional assets or bank accounts that could help identify the receipt or use of  
2 fraudulently obtained funds. If no returns were filed, the lack of filing may be relevant to corroborating  
3 that any money the SUBJECTS had during these years was derived from illegitimate sources.

4 Summary of the Scheme to Defraud

5 5. In August 2014, the FBI initiated an investigation into an investment fraud scheme  
6 involving the SUBJECTS. This investigation has been conducted jointly with the IRS-CI and currently  
7 continues. The investigation has shown that the SUBJECTS have been involved in a scheme to solicit  
8 funds from investors, making representations that the money is being used for a terminally ill elderly  
9 woman's medical expenses. The SUBJECTS have told investors that this woman, whom they often  
10 refer to as "SHIRLEY" or "S," is heir to a large estate stalled in probate court by the Federal Reserve  
11 Bank and other government agency bureaucratic red tape. At various times, the SUBJECTS have  
12 claimed the estate is worth one billion dollars, 500 billion dollars, and one trillion dollars. The  
13 SUBJECTS claim that SHIRLEY was adopted into the family of billionaire Kirk Kerkorian. In  
14 exchange for contributions toward SHIRLEY's medical expenses (often consisting of blood transfers or  
15 transfusions), investors are promised large returns—as much as one million dollars for every one  
16 thousand dollars invested—when the estate is disbursed. The SUBJECTS have told investors that  
17 SHIRLEY's full identity, information regarding the probate proceedings, and all associated details are  
18 under a strict gag order originally imposed in a San Francisco court by Judge John Dearman, the judge  
19 they claim initially presided over the case. Accordingly, most investors receive very few details or  
20 documented information other than periodic updates from MILES, SHIRAZI, STEPHENS, and/or  
21 LAKSHMANAN. Over the last several years, this scheme has successfully solicited millions of dollars  
22 from dozens of investors, and investors are continually told that the disbursement of the estate is  
23 imminent. None have received any money from their investment.

24 6. In the course of this investigation, SHIRLEY MOLINA (hereinafter "SHIRLEY") was  
25 located and interviewed by telephone. Though SHIRLEY admitted to knowing Miles, to having created  
26 a false story regarding her past that largely mirrors the story that MILES, SHIRAZI, STEPHENS, and  
27 LAKSHMANAN have told investors, and to being previously convicted of a fraud scheme similar to the  
28 one here, she denies any involvement in the current scheme. Witnesses, however, have indicated that



1 SHIRLEY is currently receiving money from MILES.

2 7. Through investigation and interviews with persons including Judge Dearman, a  
3 representative of Kirk Kerkorian, and a representative of the Federal Reserve Bank in San Francisco,  
4 investigating agents have determined that the estate the SUBJECTS have described to investors does not  
5 exist.

6 Solicitation of Funds

7 8. In August of 2014, a Confidential Human Source (hereinafter "CHS") told agents that  
8 CHS wire transferred approximately \$200,000 total to the bank accounts of STEPHENS and MILES  
9 between October 9, 2009 and February 5, 2013 (approximately \$70,000 of this amount was not  
10 transferred via wire). CHS intended the funds for SHIRLEY's medical expenses. According to CHS,  
11 and corroborated by e-mails and text messages CHS provided to agents, STEPHENS told CHS that the  
12 return on the investment would be \$106 million upon distribution of the trust. CHS said that  
13 STEPHENS was the primary person who solicited CHS to invest. STEPHENS told CHS that MILES is  
14 the Trustee over the probate matter and that SHIRAZI is the Trustee's assistant (both referred to as  
15 "principals"). According to STEPHENS, MILES dealt directly with SHIRLEY, Judge John Dearman  
16 (the San Francisco probate judge) and officials from the Federal Reserve Bank. Specifically, MILES  
17 dealt extensively with a forensic accountant, known as "Richard," representing the Federal Reserve  
18 Bank of San Francisco.

19 9. On September 25, 2014, CHS made a consensually monitored and recorded telephone  
20 call from an FBI Office to STEPHENS. During the recorded call, CHS explained to STEPHENS that  
21 CHS could possibly find another investor if it would help release disbursements sooner, but that the new  
22 investor would insist on meeting MILES face-to-face because MILES was the Trustee. STEPHENS  
23 confirmed that MILES, who resided in Los Angeles, would be very interested in another investor and  
24 was in the process of preparing a prospectus that could be provided to the potential investor.  
25 STEPHENS said MILES would be willing to travel to San Jose to meet with the potential investor and  
26 would show the new investor a prospectus and other documentation in person. MILES said he did not  
27 want anyone to have copies or a screenshot of the material because it could potentially violate the gag  
28

1 order.

2 10. On October 23, 2014, CHS introduced an FBI undercover special agent (hereinafter  
3 "UCA") to STEPHENS during a recorded meeting in San Jose, California. The UCA posed as a  
4 wealthy potential investor seeking more information about the terms of the investment. Although  
5 MILES and SHIRAZI did not show up to this meeting, STEPHENS acted as their representative and  
6 provided specific details to the UCA about SHIRLEY's medical needs, her estate (stating it was valued  
7 at one-half trillion dollars), and the on-going probate proceedings with the Federal Reserve Bank.  
8 STEPHENS further stated that he talks to MILES everyday regarding updates about the investment,  
9 SHIRLEY's progress, the progress with the Federal Reserve Bank, and interactions with the presiding  
10 probate judge. STEPHENS stated to the UCA that MILES has a partner (referring to SHIRAZI) in Los  
11 Angeles "helping him." STEPHENS introduced LAKSHMANAN as an "advisor" and a former  
12 "Goldman Sachs guy" with many years of experience in investment banking. STEPHENS also  
13 confirmed CHS's statement to investigators that every one thousand dollars invested would yield a one  
14 million dollar return. STEPHENS ultimately solicited an initial \$30,000 investment from the UCA. The  
15 UCA stated that he would consider the investment upon personally meeting with MILES and SHIRAZI.  
16 STEPHENS agreed to make the meeting happen.

17 11. Over the next few days, STEPHENS made arrangements for a face-to-face meeting  
18 involving all parties in San Jose, California. On October 30, 2014, during a recorded meeting, the UCA  
19 met with STEPHENS, MILES, SHIRAZI, and LAKSHMANAN in San Jose, California, to discuss the  
20 investment. MILES claimed that SHIRLEY's estate was actually worth one trillion dollars.  
21 STEPHENS said there was a new judge in the case (replacing Judge Dearman), and she was ready to  
22 "green light the transfer." STEPHENS and LAKSHMANAN made statements indicating that  
23 disbursements may even be tax-exempt. When discussing the return on the investment, STEPHENS  
24 stated to the group, "I have offered John [UCA] what I have typically offered . . . . \$1 million per  
25 thousand." STEPHENS also claimed that the IRS gets paid an estate tax every 60 days by the Trustee  
26 (MILES) and that the IRS may actually owe the estate money when "this thing is done." SHIRAZI and  
27 MILES both made statements asserting their connection to and interaction with SHIRLEY, the  
28 billion/trillion dollar estate, the Federal Reserve Bank of San Francisco, and the general probate process.

1 When asked about legality, STEPHENS stated "everything is above board."

2 12. Based in part on the meeting the UCA had with MILES, STEPHENS, LAKSHMANAN,  
3 and SHIRAZI it appears that LAKSHMANAN is STEPHENS' assistant and generates most of the  
4 investment related paperwork. CHS also stated that LAKSHMANAN stated that LAKSHMANAN  
5 generates most of the investment-related documents provided to investors. LAKSHMANAN either e-  
6 mails documents to investors on STEPHENS' behalf or provides them in person. LAKSHMANAN was  
7 also present during both meetings with the UCA and supported STEPHENS regarding the validity of the  
8 investment. In order to bring an air of legitimacy to this investment, LAKSHMANAN has stated to  
9 investors, including the UCA, that he is a former six-year employee of Goldman Sachs, in New York,  
10 New York. CHS also told investigators that LAKSHMANAN is a "former Goldman Sachs financial  
11 guy." On December 9, 2014, in response to a Federal Grand Jury Subpoena, Goldman Sachs provided  
12 employment records to the FBI that indicate LAKSHMANAN was only a summer intern during the  
13 summer of 1998.

14 13. On May 28, 2015, agents interviewed Constance Cummings, another investor in the  
15 scheme. Cummings met STEPHENS in January 2012 through a mutual friend, and they all spoke about  
16 the SHIRLEY investment. STEPHENS told Cummings that SHIRLEY was born in post-war Germany.  
17 SHIRLEY was the daughter of a Black G.I. and a young German girl. SHIRLEY was given up for  
18 adoption and grew up in an orphanage. SHIRLEY was selling vegetables by the roadside of a vegetable  
19 patch when she was spotted by a rich American who eventually adopted her and brought her to the  
20 United States. This rich American was the brother of billionaire Kirk Kerkorian. SHIRLEY has sickle  
21 cell and mercury poisoning. SHIRLEY's dad was killed and left a huge inheritance for SHIRLEY that  
22 was tied up in escrow due to bad lawyers. Currently the estate is held in trust by a lawyer and is worth a  
23 trillion dollars. SHIRLEY needs money for blood "transfers" to keep her alive due to her medical  
24 ailments. Those who contribute to the fund to help SHIRLEY with her medical expenses will be repaid  
25 substantially in return. Cummings understood from STEPHENS that the estate was worth one trillion  
26 dollars.

27 14. STEPHENS introduced Cummings to MILES and SHIRAZI in Los Angeles in early  
28 2012. MILES and SHIRAZI reiterated the same story regarding SHIRLEY and the investment



1 opportunity that STEPHENS told to Cummings.

2 15. Eventually, Cummings invested in the trust. After investing money, sometime in 2012,  
3 Cummings insisted on talking to SHIRLEY. The next day MILES set it up. Cummings talked to  
4 someone on the telephone who identified herself as "SHIRLEY." The woman on the telephone wanted  
5 Cummings to know that she (SHIRLEY) owed her life to MILES.

6 16. Cummings understood that a very small portion of the investment money would go to  
7 some personal expenses for MILES, as well as bodyguards for SHIRLEY, and "other things that Judge  
8 Dearman wanted." However, Cummings' impression was that the ratio of medical expenses versus  
9 personal expenses was around 90/10.

10 17. Cummings had direct access to MILES and SHIRAZI and did not have to go through  
11 STEPHENS to speak to them. Cummings still remained in routine contact with STEPHENS and  
12 received periodic text updates from STEPHENS. Cummings stated that, according to STEPHENS,  
13 STEPHENS typically got his information regarding the updates from SHIRAZI (who, in turn, received  
14 his information from MILES).

15 18. Ultimately, Cummings estimated her total investment in the trust to be approximately \$3  
16 million. Her promised return was \$4.5 billion. A review by IRS-CI Special Agent (SA) Eric Richards  
17 of bank records of accounts held by STEPHENS, MILES, and SHIRAZI corroborates that they have  
18 received more than \$3 million from Cummings between 2012 and the present.

19 19. The agents have spoken to approximately nine other investors. Nearly each one of these  
20 investors tells of being recruited to invest, either by one of the SUBJECTS or by a friend, with a similar  
21 story about helping to fund the medical expenses of "SHIRLEY," and in exchange receiving a large  
22 return once the estate is out of probate. Although the amounts of promised returns have varied, it is  
23 always a very large return, often along the order of \$1,000 for every one dollar invested. A small  
24 number of investors have been promised the return of their principle invested, plus interest. Each also  
25 states that they receive periodic updates, generally from one of the subjects or from a friend who  
26 received it from one of the subjects, in which they are told that the payout is imminent. Explanations for  
27 the delay are generally described as related to the Federal Reserve, the judge's conduct, or other "red  
28 tape." Most of the interviewed investors have also explained that they are subject to a gag order which

1 prevents them from obtaining additional information.

2 Financial Records Demonstrate that a Large Portion of Investor Funds Go to the Subjects

3 20. An examination by IRS-CI SA Eric Richards of bank records show that between 2009  
4 and 2015, the interviewed investors have deposited over \$4 million into accounts controlled by either  
5 STEPHENS, MILES, or SHIRAZI, including accounts at Wells Fargo Bank for the LAURENCE  
6 MILES TRUST, at JP Morgan Chase Bank and Citibank for SHIRAZI, and at Umpqua Bank for  
7 STEPHENS. During this same timeframe, these accounts show deposits from other individuals totaling  
8 approximately one-million dollars and cash deposits totaling approximately \$500,000. Investigation has  
9 revealed no other source of regular deposits for either STEPHENS or MILES. SHIRAZI's accounts  
10 have also received deposits from an energy company. Given the pattern and amount of the deposits  
11 from these other individuals, along with information contained in e-mails obtained through search  
12 warrants (including investor lists and e-mail "updates" regarding SHIRLEY and the estate) it is believed  
13 that the additional individual depositors are also investors in the scheme, such that the total amount of  
14 funds solicited and received is over \$5 million.

15 21. IRS-CI SA Richards analyzed the LAURENCE MILES TRUST accounts held by MILES  
16 at Wells Fargo Bank. MILES had eight trust accounts there. Only Trust Account One received  
17 investors' funds, and the other seven had minimal balances. Trust Account One received in excess of \$4  
18 million dollars between 2010 and 2014, almost all of which was funds from individual investors and  
19 most of which came from one investor. Wells Fargo Bank closed the trust accounts in July 2014.  
20 Analysis of Trust Account One reveals that approximately 65% of the funds were withdrawn in cash and  
21 cannot be traced, almost 20% went to SHIRAZI, 6% to MILES or his family members, 3% in small  
22 transactions to various businesses, and the remainder was transferred to other bank accounts. No monies  
23 can be traced going to pay for SHIRLEY's medical expenses, though the subjects claim to some  
24 investors that SHIRLEY's medical expenses are paid in cash.

25 22. Several investors deposited approximately \$400,000 into an Umpqua bank account held  
26 by STEPHENS. Analysis of that account reveals that STEPHENS is using some of the investor funds  
27 for his own purposes, including to pay for travel expenses and groceries. In addition to investor's funds,  
28 STEPHENS also received approximately \$18,000 from bank accounts held by MILES and SHIRAZI.

1           23. No traceable funds are seen going to LAKSHMANAN. It is believed he may be  
2 receiving money in cash or into an account not in his name because he appears to have no other source  
3 of income, he has an outstanding civil judgment against him, and in e-mails obtained from a search  
4 warrant, he indicates that he has no American bank accounts in his name.

5                                   The Investment Story is Fraudulent

6           24. The story that STEPHENS, MILES, SHIRAZI, AND LASHMANAN tell investors is  
7 false. On November 25, 2014, agents spoke with Steven Takizawa, Associate General Counsel &  
8 Principal, Legal Division, Federal Reserve Bank of San Francisco. Takizawa said that the Federal  
9 Reserve Bank does not provide services to individuals. Rather, the Federal Reserve Bank acts as a  
10 “wholesale bank” and provides services—including wire, check, and ACH—to depository institutions.  
11 (A depository institution is a “retail bank” such as Wells Fargo or Bank of America and provides  
12 services to individuals.) The Federal Reserve Bank also regulates holding companies and banks.

13           25. Takizawa stated that the Federal Reserve Bank of San Francisco has never been served  
14 with any court order related to a probate matter. Takizawa had never heard of the Federal Reserve Bank  
15 being involved in a probate case related to SHIRLEY or any other probate case. Takizawa was not  
16 aware of any proceeding involving a judge named John Dearman. The Federal Reserve Bank does not  
17 work with state judges to disperse funds from private estates. The Federal Reserve Bank does not get  
18 involved with “secret” litigation, the existence of which is not accessible to the public. Takizawa had  
19 never heard of or dealt with MILES, the purported Trustee in SHIRLEY’s probate matter. Takizawa did  
20 not know a Richard, the purported forensic accountant dealing with MILES.

21           26. On December 1, 2014, FBI SA Janet Palmore spoke to Retired San Francisco Superior  
22 Court Judge John Dearman. Judge Dearman said that he had never presided over a probate matter  
23 related to SHIRLEY. Judge Dearman had never imposed any type of gag order on a probate matter  
24 involving SHIRLEY. Judge Dearman had never presided over a probate matter involving any individual  
25 who was heir to a one billion dollar or one trillion dollar estate.

26           27. In the previous five years, Judge Dearman had not had any dealing with the Federal  
27 Reserve Bank pertaining to a probate matter or any other matter. Over the previous five years, Judge  
28 Dearman had not had any court dealings with individuals by the names of MILES or SHIRAZI, nor did



1 he know MILES or SHIRAZI.

2 28. On March 15, 2015, SA Palmore spoke to Anthony Mandekic, the Chief Executive  
3 Officer and President of Tracinda Corporation, the company solely owned by Kirk Kerkorian.  
4 Kerkorian was a self-made billionaire residing in Los Angeles, California. Mandekic had been  
5 Kerkorian's personal assistant for the previous 45 years and was the executor of Kerkorian's estate.  
6 Mandekic said that no one in the Kerkorian extended family was named SHIRLEY. Furthermore, there  
7 existed no secret probate proceeding regarding an estate associated with any member of the Kerkorian  
8 family.

9 Involvement of Shirley Molina in the Fraud

10 29. On June 16, 2015, SA Palmore spoke via telephone with a woman who identified herself  
11 as SHIRLEY MOLINA. SHIRLEY said she had a difficult childhood. As she grew up, she made up a  
12 "story" that she had a great father instead of the horrible father that almost beat her to death while her  
13 mother watched. SHIRLEY's pretend father was a wealthy man who was related to the famous Kirk  
14 Kerkorian. SHIRLEY told many people about how her famous father had left her some money and one  
15 day she was going to get it. SHIRLEY admitted to having been convicted of fraud in the past. SHIRLEY  
16 also admitted that she has met the sister of Judge Dearman, but claimed she had never seen or talked to  
17 Judge Dearman. SHIRLEY stated that she was never involved in any pending probate process related to  
18 a billion or trillion dollar estate.

19 30. On September 10, 2015, SA Palmore spoke with retired San Mateo County District  
20 Attorney Investigator Randall Curtis. Curtis stated that he had twice previously investigated and  
21 arrested SHIRLEY for perpetrating investment fraud schemes in the 1990s in short succession. In both  
22 instances, the fraudulent scheme--involving a story of adoption and a large inheritance--was nearly  
23 identical to the story investors are given in the scheme currently under investigation. Records checks and  
24 additional investigation into SHIRLEY's criminal history confirm that SHIRLEY was convicted for  
25 grand theft of property in San Mateo County Superior Court in 1989 and sentenced to four years state  
26 prison and convicted of felony fraud in San Mateo County Superior Court (after pleading no contest) in  
27 1997 and sentenced to eight years state prison.

28 31. SHIRLEY also told SA Palmore that she did not know STEPHENS or LAKSHMANAN.

1 SHIRLEY knew MILES and his driver, a man of Middle-Eastern descent named "Mike," (believed to be  
2 SHIRAZI). SHIRLEY met MILES in Atlanta many years ago through a mutual friend (SHIRLEY's  
3 accomplice in her prior fraud) and became friends. MILES has asked SHIRLEY about her famous  
4 pretend father, and SHIRLEY has continued to go along with the story.

5 32. SHIRLEY further stated that she has never been taken to see any doctor by MILES or  
6 Mike. SHIRLEY claimed she had only met MILES for lunch and Mike had driven MILES to meet her.  
7 MILES had given SHIRLEY flowers, gifts, and a little cash (approximately a "couple of hundred  
8 dollars"). SHIRLEY claimed she does not have a bank account. SHIRLEY also denied ever talking to  
9 any investor or person on the telephone to discuss her medical treatments or any matter related to an  
10 investment opportunity or to thank anyone for taking care of her.


11 33. There is reasonable cause to believe that SHIRLEY, despite her denials, is involved in  
12 this scheme. Agents have spoken to Lisa Cooper, the former sister-in-law of SHIRLEY's ex-husband's  
13 brother. (Cooper's sister was married to Rafael Molina, and Rafael is the brother of SHIRLEY's ex-  
14 husband Oscar Molina.) Cooper was asked about money that was deposited into her bank account from  
15 MILES. Initially, she stated that Rafael asked to deposit money into her account and would ask her to  
16 take it back out and give it to him. She denied it was related to any scheme related to SHIRLEY.  
17 Cooper subsequently admitted that she allowed Rafael to use her account and that he told her the money  
18 was from MILES and was for SHIRLEY. Cooper stated that she believed SHIRLEY was worth billions  
19 of dollars and that SHIRLEY's ex-husband Oscar (Rafael's brother) was also an heir to the estate and  
20 that Oscar would share the estate with his family. When agents first spoke to Rafael, he told them that  
21 he arranged to have Cooper's account used to receive money for his brother Oscar, SHIRLEY's ex-  
22 husband. He indicated he would then return the money to his brother. He denied knowing either MILES  
23 or SHIRLEY. Rafael subsequently told agents that MILES deposited money into Cooper's account and  
24 that RAFAEL would then provide those funds directly to SHIRLEY. As such, it appears that MILES  
25 funneled money to SHIRLEY through Lisa Cooper and her former brother-in-law Rafael.

26 34. In addition, on September 16, 2015, IRS-CI SA Richards spoke with another investor in  
27 the scheme named Stuart Kent. Kent told IRS-CI SA Richards that MILES told Kent that MILES takes  
28 cash to SHIRLEY on a regular basis.

Conclusion

35. Based on the foregoing, I believe there is at least reasonable cause to believe that the SUBJECTS have committed wire fraud in the Northern District of California, that the tax return and return information being sought herein is or may be relevant to the commission of such offenses, and that the information cannot reasonably be obtained, under the circumstances, from another source.

DATED:

  
MATTHEW ACCARDO  
Special Agent  
Federal Bureau of Investigation



SEALED BY ORDER  
OF THE COURT

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

FILED  
2015 OCT 21 P 2:40  
SUSAN Y. SOONG  
CLERK U.S. DISTRICT COURT  
N.D. DIST. OF CA.  
PSG

IN RE:

DISCLOSURE OF TAXPAYER RETURNS  
AND RETURN INFORMATION

CR 15-90921 MISC NO. 1  
[PROPOSED] ORDER FOR DISCLOSURE OF  
TAX RETURN AND RETURN INFORMATION  
AND ORDER TO SEAL  
(UNDER SEAL)

Having considered the motion of the United States for disclosure of returns, return information, and other information, this Court finds as follows:

(i) There is reasonable cause to believe, based upon such information believed to be reliable, that a specific criminal act has been committed,

(ii) There is reasonable cause to believe that the returns, return information, and other information concerning:

1. LAURENCE MILES  
[REDACTED]
2. THE MILES TRUST or LAURENCE MILES TRUST
3. ROBERT STEPHENS  
[REDACTED]
4. MUNSIF SHIRAZI (a.k.a. MIKE SHIRAZI)  
[REDACTED]
5. RAYAN LAKSHMANAN  
[REDACTED]
6. SHIRLEY MOLINA (a.k.a. SHIRLEY JACKSON, a.k.a. SHIRLEY KERKORIAN, a.k.a. SHIRLEY GREGORIAN, a.k.a. SHIRLEY JOCOBO)  
[REDACTED]

are or may be relevant to a matter relating to the commission of such act, and

(iii) The returns, return information, and other information are sought

1 exclusively for use in a Federal criminal investigation or proceeding concerning such act,  
2 and the information sought to be disclosed cannot reasonably be obtained, under the  
3 circumstances, from another source.

4 ACCORDINGLY, IT IS HEREBY ORDERED, pursuant to 26 U.S.C. § 6103(i)(1)(A)(ii) and  
5 (iii); and 4(A)(i), that the returns and return information (as those terms are defined in 26 U.S.C. §  
6 6103(b)), and other information, including, but not limited to, any tax or information returns including  
7 supporting schedules, attachments, or lists; any documents identifying the nature, source, or amount of  
8 the taxpayer's income, receipts, assets, and liabilities, including CMIRs and Forms 8300; documents  
9 related to any examination, investigation or processing of the taxpayer's return; any documents reflecting  
10 a determination of liability of any person or any background file documents relating to such written  
11 determination; any documents collected or voluntarily provided to the IRS from sources other than the  
12 taxpayer; and certificates of non-filing if returns or return information have not been filed, for the years  
13 2009-2015 concerning:

- 14 1. LAURENCE MILES  
[REDACTED]
- 15 2. THE MILES TRUST or LAURENCE MILES TRUST
- 16 3. ROBERT STEPHENS  
[REDACTED]
- 17 4. MUNSIF SHIRAZI (a.k.a. MIKE SHIRAZI)  
[REDACTED]
- 18 5. RAYAN LAKSHMANAN  
[REDACTED]
- 19 6. SHIRLEY MOLINA (a.k.a. SHIRLEY JACKSON, a.k.a.  
20 SHIRLEY KERKORIAN, a.k.a. SHIRLEY GREGORIAN, a.k.a.  
21 SHIRLEY JOCOBO)  
22 [REDACTED]

23 shall be disclosed to the United States Attorney, Assistant United States Attorney Amber S. Rosen, and  
24 any other persons only in accordance with the provisions of 26 U.S.C. § 6103 and 26 C.F.R. §  
25 301.6103(i)-1. It is further

26 ORDERED that this Order and the Government's application and declaration in support of the  
27 application shall remain sealed until further Order of this Court, except that copies of  
28 \\

1 this Order may be served upon the Internal Revenue Service.

2 DATED: 10.21.15

3 DES. M  
4 PAUL S. GREWAL  
5 UNITED STATES MAGISTRATE JUDGE  
6 NORTHERN DISTRICT OF CALIFORNIA  
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